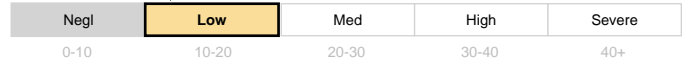


# Berlin Hyp AG

# 11.9 Low Risk

Diversified Banks | Germany |



## Rating Overview

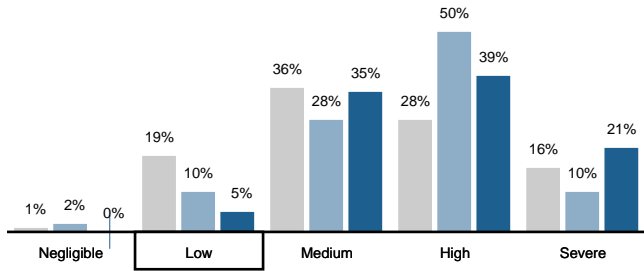
The company is at low risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. The company is not publicly held, which reduces its corporate governance risk compared to its peers. Furthermore, the company has not experienced significant controversies.

**Momentum Score: -0.5**

Stable **II**

The company's risk score has not changed significantly in the past year, and its risk category has remained stable.

## ESG Risk Rating Distribution



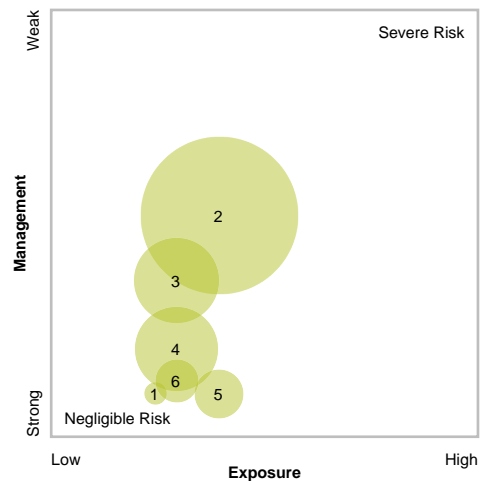
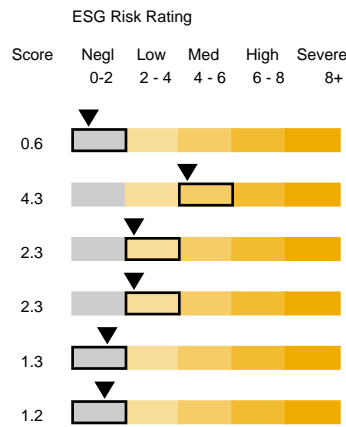
## Relative Performance

	Rank (1 <sup>st</sup> = lowest risk)	Percentile (1 <sup>st</sup> = lowest risk)
Global Universe	237 out of 13106	3rd
Banks (Industry Group)	23 out of 985	3rd
Diversified Banks (Subindustry)	2 out of 389	1st

## Attribution Analysis

### Top Material Issues

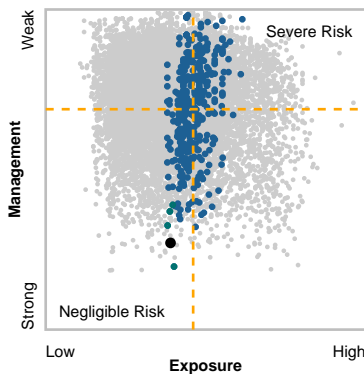
- Corporate Governance
- Product Governance
- ESG Integration - Financials
- Data Privacy and Security
- Business Ethics
- Human Capital



= Significant event

Circle size = Contribution to ESG Risk Rating

## Risk Analysis



### Peers (Market cap \$0.0 - \$0.0bn)

	ESG Risk Rating	Exposure	Management
1. Coöperatieve Rabobank U.A.	9.4 Negligible	40.1 Medium	80.3 Strong
2. Berlin Hyp AG	11.9 Low	39.0 Medium	72.9 Strong
3. Grupo Cooperativo Cajamar	13.7 Low	38.1 Medium	67.5 Strong
4. La Banque Postale SA	15.5 Low	38.8 Medium	63.1 Strong
5. HSBC France S.A.	16.7 Low	39.7 Medium	61.0 Strong

- Global Universe
- Diversified Banks (Subindustry)
- Berlin Hyp AG
- Peers
- + SubIndustryAvg.

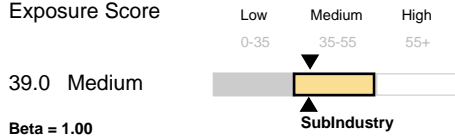
# Berlin Hyp AG

Diversified Banks | Germany |

## 11.9 Low Risk



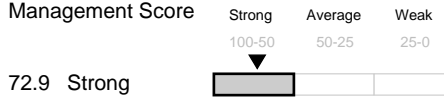
### Exposure Score



To meet evolving customer needs, Berlin Hyp provides various products and services such as fixed-interest loans, reference interest rate loans, cash loans financing products for construction work and operating equipment loans. Inability to cater to high client expectations across all its offerings could result in customer loss. In addition, Berlin Hyp reports that it generates a large portion of its financing through the joint syndicate business with the savings banks. Involvement in ethical misconduct such as money laundering or bribes to secure business opportunities could lead to penalties and increased regulatory scrutiny. Moreover, during the course of its business, Berlin Hyp collects high volumes of sensitive data from its customers. Failure to properly secure such data from cyberattacks could lead to service disruptions and lawsuits.

The company's overall exposure is medium and is similar to subindustry average. Data Privacy and Security, Business Ethics and Product Governance are notable material ESG issues.

### Management Score



Berlin Hyp's FY2019 sustainability disclosure was prepared in accordance with the GRI Standards, the Core option, signalling strong accountability to investors and the public. The company's ESG-related issues are overseen through coordination between the Board of Management, the Sustainability Officer, the Sustainability Management Team and the Sustainability Steering Committee, suggesting that these are integrated in core business strategy.

The company's overall management of material ESG issues is strong.

## Attribution Details



### Contribution to

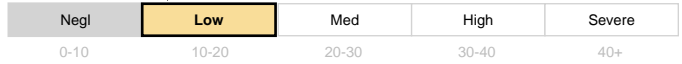
Issue Name	Contribution to						ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Manageable Risk Factor	Management Score	Management Weight		
Corporate Governance	5.0%	5.0	5.0	100%	88.0	13.5 %	0.6	
Product Governance	36.0%	8.0	8.0	100%	46.3	21.6 %	4.3	
ESG Integration -Financials	19.3%	6.0	6.0	100%	61.5	16.2 %	2.3	
Data Privacy and Security	19.1%	6.0	6.0	80%	77.5	12.9 %	2.3	
Business Ethics	10.9%	8.0	8.0	95%	88.1	20.5 %	1.3	
Human Capital	9.7%	6.0	6.0	95%	85.0	15.4 %	1.2	
<b>Overall</b>	<b>100.0%</b>	<b>39.0</b>	<b>39.0</b>	<b>95.1 %</b>	<b>72.9</b>	<b>100.0%</b>	<b>11.9</b>	<b>Low</b>

△ =Significant event

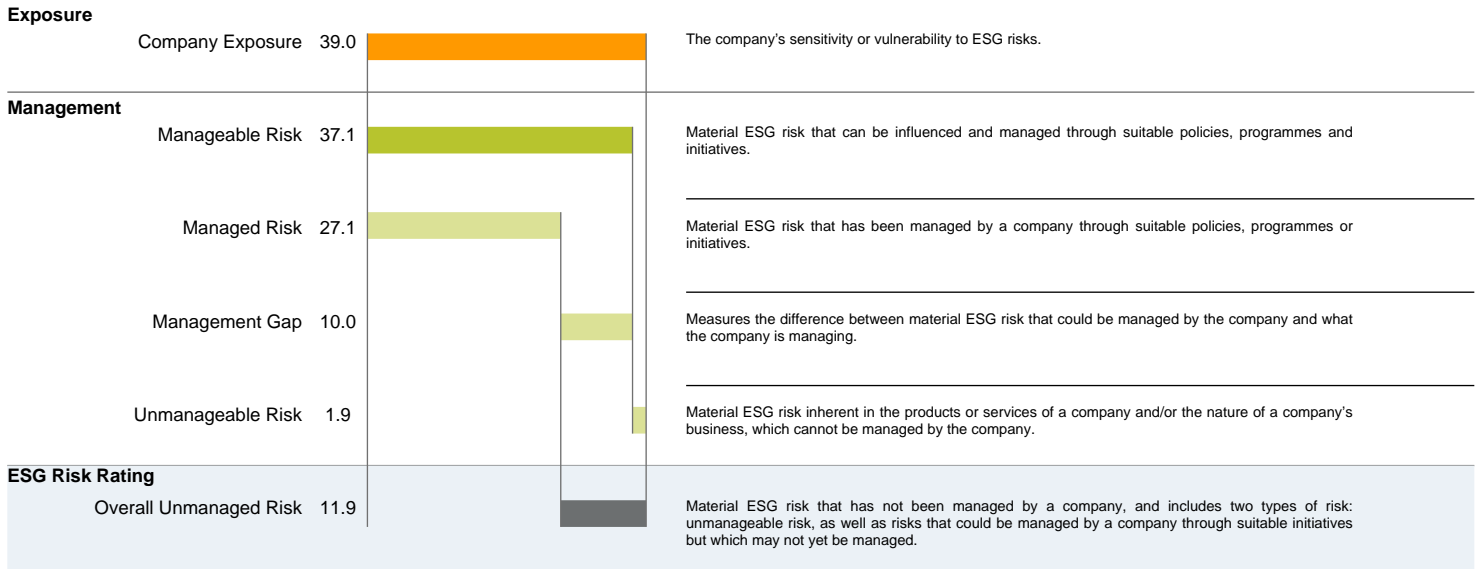
# Berlin Hyp AG

## 11.9 Low Risk

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### Risk Details

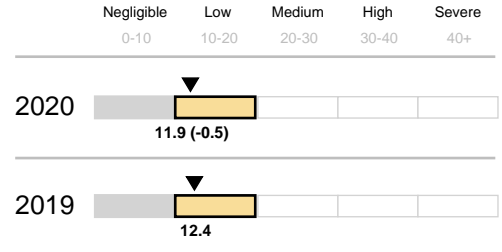


### Momentum Details

ESG Risk Rating Momentum Score: -0.5

Stable  $\Rightarrow$

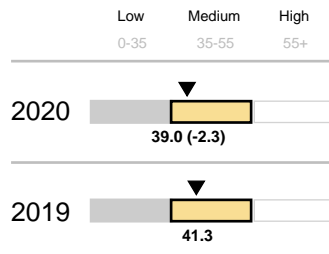
The company's risk score has not changed significantly in the past year, and its risk category has remained stable.



Exposure Momentum Score: -2.3

Stable  $\Rightarrow$

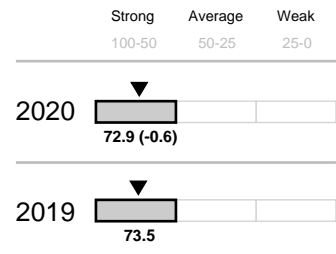
The company's exposure score has decreased in the past year, but its exposure category has remained stable.



Management Momentum Score: -0.6

Stable  $\Rightarrow$

The company's management score has not changed significantly in the past year, and its management category has remained stable.



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## GLOSSARY OF TERMS

### Beta (Beta, $\beta$ )






A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

### Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

### ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

### ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

### Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

### Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

### Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

### Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

### Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

### Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

### Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

### Management

A company's handling of ESG risks.

### Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

### Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

### Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

### Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

### Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

### Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

# Berlin Hyp AG

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